GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:16
ANSWERED ON:02.02.2017
National Electricity Policy
Jadhav Shri Prataprao Ganpatrao;Pal Shri Jagdambika

Will the Minister of POWER be pleased to state:

(a) whether any progress has been made in the implementation of the National Electricity Policy as envisaged in the Electricity Act, 2003 and if so, the details thereof and if not, the reasons therefor;

(b) whether any new electricity policy is being formulated and if so, the details thereof;

(c) whether the Government proposes to review the outcome of the Electricity Act, 2003;

(d) whether this Act has benefitted the private Power Distribution Companies to the disadvantage of the public and the loss of revenue to the Government and if so, the details thereof; and

(e) the corrective action proposed to be taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (e) : A Statement is laid on the Table of the House.

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STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.16 TO BE ANSWERED IN THE LOK SABHA ON 02.02.2017 REGARDING NATIONAL ELECTRICITY POLICY.
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(a) : The National Electricity Policy (NEP) notified by the Central Government on 12.2.2005, in compliance with section 3 of the Electricity Act, 2003, aims at laying guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders keeping in view availability of energy resources, technology available to exploit these resources, economics of generation using different resources, and energy security issues. The details of progress made in implementation of the NEP, are as under-

(i) The number of Villages electrified has increased from 4,82,864 as on 31.3.2007 to 5,90,488 as on 31.12.2016, constituting 98.09% of the total villages in India.

(ii) Installed capacity increased from 132329 MW as on 31.03.2007 to 310005 MW as on 31.12.2016.

(iii) Energy and peak demand deficits decreased from 9.6% and 13.8% respectively for the year 2006-07 to 2.1% and 3.2% respectively for the year 2015-16. The corresponding figures (Provisional) for the period April − December, 2016 are 0.7% and 1.6% respectively.

(iv) Per capita consumption of electricity increased from 671.9 kWh as on 31.3.2007 to 1075 kWh as on 31.3.2016.

(v) Central Electricity Regulatory Commission (CERC) has notified Sharing of Inter-State Transmission Charges and Losses Regulations, 2010 which is in accordance with the requirement in the NEP that the tariff mechanism should be sensitive to distance, direction and related to quantum of flow.

(vi) Volume of Electricity transacted through Power Exchanges, which was 2.77 Billion Units (BU) during 2008-09, increased to 35.01 BU during 2015-16.

(vii) The installed capacity of Renewable Energy based power generation has reached to the level of 45,915 MW, as on 31.12.2016.

(b) : The Working Group on Power, constituted to formulate the programme for development of the power sector during the 12th Plan, under the Chairmanship of Secretary, Ministry of Power, had made recommendation for amendments in the NEP in addition to the recommendations on the Electricity Act, 2003 and the Tariff Policy. In order to review the NEP, a Committee was constituted under the Chairperson, Central Electricity Authority, which after consultation with various stakeholders, has submitted the draft NEP.

(c) : Based on the experience gained over the years in the implementation of the Electricity Act, 2003, it was felt that while there have been impressive achievements in the areas of augmentation of generation capacity, establishment of National Grid, a multi-layered regulatory framework, private sector participation, development of electricity markets and exchanges and restructuring of State Electricity Boards. At the same time, the distribution sector which is managed by States continues to be the weakest link in the power sector value chain. There have also been other issues like grid indiscipline, regulatory accountability, policy framework for enhanced renewable penetration, bringing further competition and efficiency in the distribution sector and giving choice to the consumers etc. for which it was felt that there is a need to review and amend some of the provisions in line with the overall objectives of the Act.

Based on recommendations of the Working Group on Power for the 12th Plan and suggestions received from various stakeholders, the Electricity (Amendment) Bill 2014 was introduced in the Lok Sabha on 19.12.2014. The Bill was subsequently referred to the Standing Committee on Energy for examination and report. The Committee had submitted its report on 7.5.2015. These amendments entail competition in retail (i.e. choice to consumers to select retail suppliers), strict enforcement of Renewable Purchase Obligations (RPO) and zero tolerance on Grid Safety and Security.

Based on the recommendations of the Standing Committee on Energy and further consultation with the State Governments/Union Territories and other stakeholders, Ministry of Power is expediting to move official amendments to the Electricity (Amendment) Bill, 2014.

(d) & (e) : The provisions of the Electricity Act, 2003, provide level playing field for both the private distribution companies and State distribution companies. Further, the power procurement process, Annual Revenue Requirement and tariff for all distribution companies, whether publicly owned or privately owned is regulated by State Commissions, which follow a transparent process for issuing orders after public hearing.

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